

Remarks of U.S. Senator Mark Begich
Health Reform – Anchorage Chamber of Commerce
Noon; August 10, 2009; Dena'ina Center

Thank you, (Chamber board chairman) Phil Okeson, for that introduction.

I'm glad to be home, to escape the hot air and humidity of Washington, and to hear from Alaskans during this trip.

Lots of visitors are coming north, too – several Cabinet secretaries and a delegation of fellow senators. I know they'll receive a typically warm Alaska welcome.

I appreciate the Chamber's invitation to discuss the status of health insurance reform in Congress – and why it is one of the most important issues facing this and future generations of Alaskans and all Americans.

We've put together a slide presentation to help illustrate some of the important data points. If you haven't seen this information, I hope it will be an eye-opener.

We've got a huge problem on our hands – health care costs spiraling out of control and our economy suffering because of it. There are 46 million uninsured Americans today, and it's going to get worse if reform does not pass.

Before we get to the slides, I want to update you on two other issues.

First is climate change, which finally has risen to a high priority in Congress and the administration. To make sure Washington does this right, I introduced seven bills last week to address problems in the Arctic – almost all of them caused or worsened by climate change.

A week ago today, I described the bills and Alaska's unique circumstances in my first speech on the Senate floor. Those of you who know me might be surprised at this – until last week I kept quiet on the floor. I

watched and learned while winning the Golden Gavel Award, which goes to the first senator to reach 100 hours of presiding over floor business.

The climate bills address oil and gas development, Arctic shipping, the need for more Arctic science, reducing health disparities in Northern regions, and better coordination of Arctic policy.

Climate change poses challenges on diplomatic, scientific and national security fronts. We must make the needed investments to ensure the U.S. maintains its leadership at the top of our globe. And we must listen to and address the needs of the residents of the Arctic.

I welcome the Chamber's review of that legislation and your comments.

Another issue I know everyone in this room is concerned about is the Alaska economy.

I was pleased – but not surprised – to see the latest Anchorage Economic Development Corporation report predicting that Anchorage will be holding its own next year before beginning a new era of growth.

Rather than declining dramatically as elsewhere, total jobs and overall building permit values in Anchorage are projected to remain essentially steady through next year before growing again. Despite some job losses in the air cargo and tourism sectors, we're holding up better than many places as America fights its way out of the recession.

There are encouraging signs on the national level, too, with housing starts up in June and the nation's overall economic output looking better compared to the end of 2008.

There's evidence the Recovery Act is working, and I'm proud I voted for the bill. For Alaska, it means big projects like a new Arctic research vessel and the long-overdue hospital replacement in Nome.

And many smaller projects and benefits, including more police officers for this community.

The Recovery Bill will put 1.4 billion-dollars on the ground in Alaska and create or save 8,000 jobs. The Alaska Legislature is taking action a few blocks from here today, so we get our fair share of weatherization funds to make homes more energy efficient.

I know it's going to take more time and lots of hard work for our country to fight its way out of this recession. But now, at least, there are signs of a turnaround.

All of which leads me back to the subject of the day – health reform. There are wheelbarrows of reports available to Congress, and just as many opinions.

But here's my take-away from the debate so far: A broken health care system leads to lost jobs, reduced productivity, less investment capital and – ultimately – stalled business growth.

That's why I believe one of the best ways Congress can support, strengthen and grow American business and rebuild the economy is to pass meaningful health reform.

Slide 2 - overview

We've broken this presentation into four sections:

- **Why the status quo is not acceptable or sustainable – especially for business**
- **How reform will help the average American**
- **My priorities for health reform as the bills move forward**
- **Myth versus reality – lots of information out there is flat-out wrong**

Slide 3 GDP chart

Health care spending is out of control in this country with a growing portion of our economy devoted solely to health care, as measured by GDP.

In 2009, health care expenditures are approximately 18 percent of GDP. Without major reform, health care's share of GDP will rise to 34 percent within 30 years.

That's one-third of our economy going just to health care. I don't need to tell you as business people or as heads of households that an ever-growing percentage of your business expenses or your own paycheck is going to health care.

Slide 4 - Cost of premiums

This affects all of us. In just 10 years, family insurance premiums have doubled in Alaska. The average employer-provided premium was about \$6,000 in 1997.

In 2006 – the most recent year we have state data – the same coverage averaged \$12,200. Of course wages didn't come close to keeping pace. You can see where we're headed if we don't act.

What about the impact on business? Even more dramatic – the next several slides come from the Small Business Majority, a group I'm working with in D.C.

I helped them unveil a report in June that makes a very compelling case for reform. It was done by a respected health economist from MIT. His definition of "small business" is 100 or fewer employees – in other words the vast majority of Alaska businesses.

Slide 5 - Growing cost of health care

This slide shows that without reform, small businesses in America will spend more than \$2 trillion on health benefits for their workers over the next 10 years.

Slide 6 - Lost jobs

The impact on jobs is just as dramatic. With no reform, an estimated 178,000 small business workers will lose their jobs over the next decade because of dollars diverted to health care.

The Small Business Majority is not pushing for a specific bill or plan. They took major elements of various health reform proposals and grouped them into three categories: Limited reform, expanded reform or significant reform.

So, what happens when reform passes? Look at the red line on Slide 7. It says that even with middle-of-the-road reform, small businesses will save \$807 billion over the next 10 years – money that won't have to be spent on health care.

Considering that small business will drive economic recovery in America, that's huge. About \$800 billion saved and available for investing in infrastructure and innovation, for increasing productivity and providing stable jobs.

Let's turn next to the impact of health reform on individuals and families. What's in this for the average person?

Slide 8 -Hidden tax pie chart

Approximately 46 million Americans are uninsured. In Alaska, about 116,000 people don't have health coverage – 18 percent of our population. Those statistics are amazing to me by themselves, but they lead to even more alarming numbers.

Thousands of Alaskans report avoiding the doctor because of high costs. When this basic care is delayed, it usually becomes more expensive later. People end up getting sicker and going to clinics or the emergency room.

Hospitals don't turn people away – and they don't just absorb the cost of this uncompensated care. It is passed to the rest of us in the form of higher medical charges, which in turn lead to higher premiums for those of us who are covered.

As you can see here, nationally the average family pays a hidden tax of \$1,100 to help cover the uninsured. In Alaska, the average hidden tax is \$1,900 per family.

Slide 9 - Bankruptcy and foreclosure

Out-of-control health care costs are having a dramatic effect on many Americans. Nationally, 62 percent of personal bankruptcies and 50 percent of home foreclosures are the result of unaffordable medical bills.

The question keeps coming up, “What’s in this for the average person?”

The answer, in one word, is “stability.” Besides the family savings I just outlined, reform will bring stability in many ways:

Slide 10 - Reform brings stability

- **No more coverage denied because of pre-existing conditions,**
- **You get to keep your doctor and your current insurance plan if you like them,**
- **No more reason to make job decisions based on fear of losing health insurance,**
- **No more lifetime caps on how much insurance companies will pay, and**
- **You and your doctors make health care decisions — not insurance companies**

Don’t let anyone tell you health reform won’t benefit every single one of us.

There are so many personal stories. An acquaintance from Anchorage stood up at my town hall in June and said his life changed forever when he was diagnosed with cancer. He’s fighting back but he can’t quit his job or find one that’s less stressful because he’ll lose his current employer-provided health coverage. And he won’t be able to get new insurance because of his pre-existing condition.

Or the heartbreaking column in the paper two weeks ago, from a business owner in Palmer who described two friends hit by colon cancer. One sister had good insurance, got early screening and is recovering.

The other sister was self-employed and couldn't afford coverage. She didn't get early screening and the cancer wasn't caught in time. After months of debilitating, expensive and uncompensated chemotherapy, she died.

I hope you're beginning to see why I'm working for a solution, for getting this done this year. Now is not the time to wring our hands and say no. It's time to roll up our sleeves.

Slide 11 - Alaska priorities

As I work with my Senate colleagues, there are several Alaska priorities I'm pushing in Washington:

- ***Keeping small businesses healthy.***
- ***Expanding our workforce.*** Of course we need more doctors but there must be an expanded role for physician assistants, advanced nurse practitioners, dental health aides and other professionals.
- ***Strengthening Native health care*** and reducing alarming health disparities in Alaska.
- ***Improving health care for our vets.*** We count on our servicemen and women to be there for us in times of need; after their service is over and they have their own needs, we have an obligation to be there for them.
- ***Promoting good health.*** “Bending the cost curve” and cutting medical expenses must involve prevention. 80 percent of Medicaid spending in Alaska goes to patients with chronic conditions – more than \$800 million a year at last count. The vast majority of chronic conditions are caused by choices involving diet, exercise and tobacco – we've got to do a better job encouraging personal responsibility.

Slide 12 - Scales

Let me inject a dose of reality into what is becoming an exaggerated and misleading debate over health reform. Sure, there are skeptics. I don't blame anyone for looking closely at the details – I have questions myself and the bills are not final.

But now the media are talking about the “swift-boating” of health reform over this recess. Based on the nature of some of the ads and subsequent calls coming into my office, I believe there's some truth to that.

Slide 13 - Negative ads

Let me dispel a couple of common myths. First, health reform will not lead to forced euthanasia of anyone's grandmother. I hear some laughs, but this claim is being repeated on shout radio and my office is getting calls.

Here's the reality: Under the reform bills so far, Medicare will encourage and pay for consultations with doctors over living wills, organ donation, do-not-resuscitate orders and other end-of-life decisions. It's a chance to talk with your doctor about your wishes – not exactly radical.

In fact, Alaska already has a model law on the books concerning living wills. It passed five years ago with only one “no” vote in the entire Legislature.

Here's another scare tactic cooked up by opponents of health reform – it will mandate government-funded abortions. There's a TV ad on this one. I'm one of those targeted by it.

It's flat-out untrue. For a generation the Hyde Amendment has prevented federal dollars from paying for abortion services – and health reform does not change the Hyde amendment. There is no expansion of abortion.

Here's another myth: Democrats are ramming this through and don't really care about reaching across the aisle. Not true. The Finance Committee is being criticized by many Democrats for dragging out the debate, but the reason is they're still working hard for Republican support.

In the Senate HELP Committee, Republican voices were heard. Every Republican ended up voting against the bill – even though 161 of their amendments were accepted and incorporated into the final version. They say their fixes were just “technical,” but I’m not so sure.

I’m happy Senator Murkowski added an amendment ensuring that Native Americans and tribes are eligible for various health workforce programs. She addressed workforce shortages and will make funding available to Alaska health providers.

Another of her fixes allows insurers to charge tobacco users more because smokers have higher medical bills – costs that the rest of us shouldn’t have to bear. To me, these changes seem more than “technical.”

More fact versus fiction: Health insurance reform will not reduce choices. In fact, more Americans will have access to greater choices in doctors and plans by taking away the insurance industry’s ability to deny coverage.

Another myth is that health reform means bureaucrats will ration health care. Truth is, it will expand access and improve the quality of care, not ration it. Doctors, nurses and patients will make medical decisions, not the insurance companies.

Finally, I want to mention Medicare. Despite what you might hear, most people who have Medicare like it and count on it. Yes, we have a problem in Alaska with inadequate reimbursement rates – as do many other states.

We’re still waiting for details from Senate Finance, but the House bill makes significant changes, including eliminating a planned 21 percent cut in doctors’ fees, putting payment rates on a sustainable path and expanding programs that reward physicians for better coordinated patient care. It eventually eliminates the “donut hole” in the prescription drug plan – seniors no longer will be stuck paying expensive bills when their yearly coverage runs out.

Slide 14 - Closing slide

I've covered lots of ground. Let me conclude by describing where we are today and where we're headed. I believe Congress will pass significant health reform, before the end of this year.

The three House committees of jurisdiction each have amended and passed their versions of the bill. Their next step is to merge them into one package and pass it on the House floor. That final vote is likely to occur sometime in September.

Timing on the Senate side is less certain. As I mentioned, the HELP Committee passed its bill in mid-July. All eyes remain on Finance, where the chairman, Max Baucus, is working to achieve bipartisan support.

Whether he gets it or not, the Finance and HELP bills eventually will be merged on the Senate floor. Once our bill passes, a conference committee will work out House and Senate differences.

President Obama wanted a bill on his desk by mid October. It's unlikely that deadline will be met, but I do predict we'll send the President a truly historic bill this year.

I'm not on the key committees for this, but that hasn't stopped me from injecting my ideas and those of other Alaskans into the discussion. I've written letters to Max Baucus and met with him. I've expressed my views at our caucus meetings.

I've sat in with the President's advisers and joined my colleagues for a meeting with President Obama at the White House. I've met with business owners, union leaders, consumer groups, insurance executives, doctors, nurses, the AARP and countless other organizations.

I am convinced of the need to act. Reform will reduce costs and improve health care quality and efficiency. It will make coverage more accessible and more affordable. It will bring stability by strengthening what works in the current health care system and fixing what does not.

There still is much to work out, but I promise you this: I will do my level best to protect Alaska's interests and be part of the solution. The time is now, and the costs of inaction are unacceptable.

Thank you.